



Office of Facility Planning and Control

Capital Outlay Training Seminar

For Non-State Entities

September 30, 2015

Objectives

Understand the steps of
the Capital Outlay process

Objectives

Understand the
information required in a
capital outlay request

Objectives

Understand general
obligation bond priorities

Objectives

Understand the difference
between an appropriation
and funding

Objectives

Understand how to read
an appropriation

Objectives

Understand the limits of
an appropriation

Objectives

Know where to go for help

What is Capital Outlay?

Capital Outlays are...

- expenditures for acquiring lands, buildings, equipment, or other permanent properties,
- or for their preservation or development or permanent improvement.

Capital Outlay Projects

- Permanent – useful life of at least 10 years
- Major – complex, requiring coordination of two or more trades

Capital Outlay Requests

- are entered into eCORTS
- require a letter of support
- are due November 1st

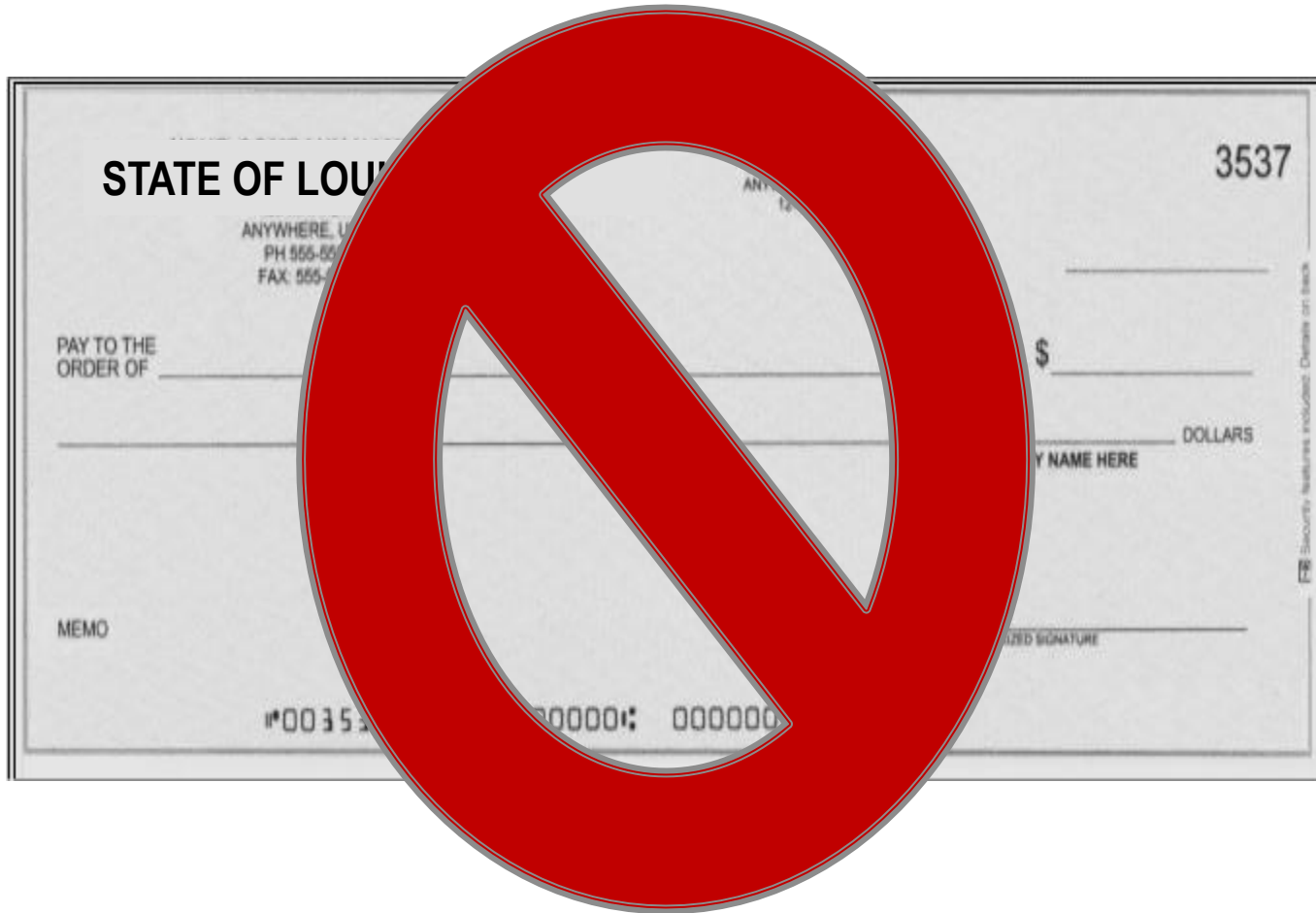
The Language of Capital Outlay

- appropriation
- funding
- means of finance
- general obligation bonds
- line of credit
- noncash
- rescission
- reappropriation

Capital Outlay Process

Understand the Steps of the Capital Outlay Process

There is no quick check!



Plan Ahead

**Capital Outlay is not designed
to be a quick fix.**



The Capital Outlay Process

Submit Capital Outlay
Request

Receive an Appropriation
in the Capital Outlay Act

Receive Funding of the
Appropriation

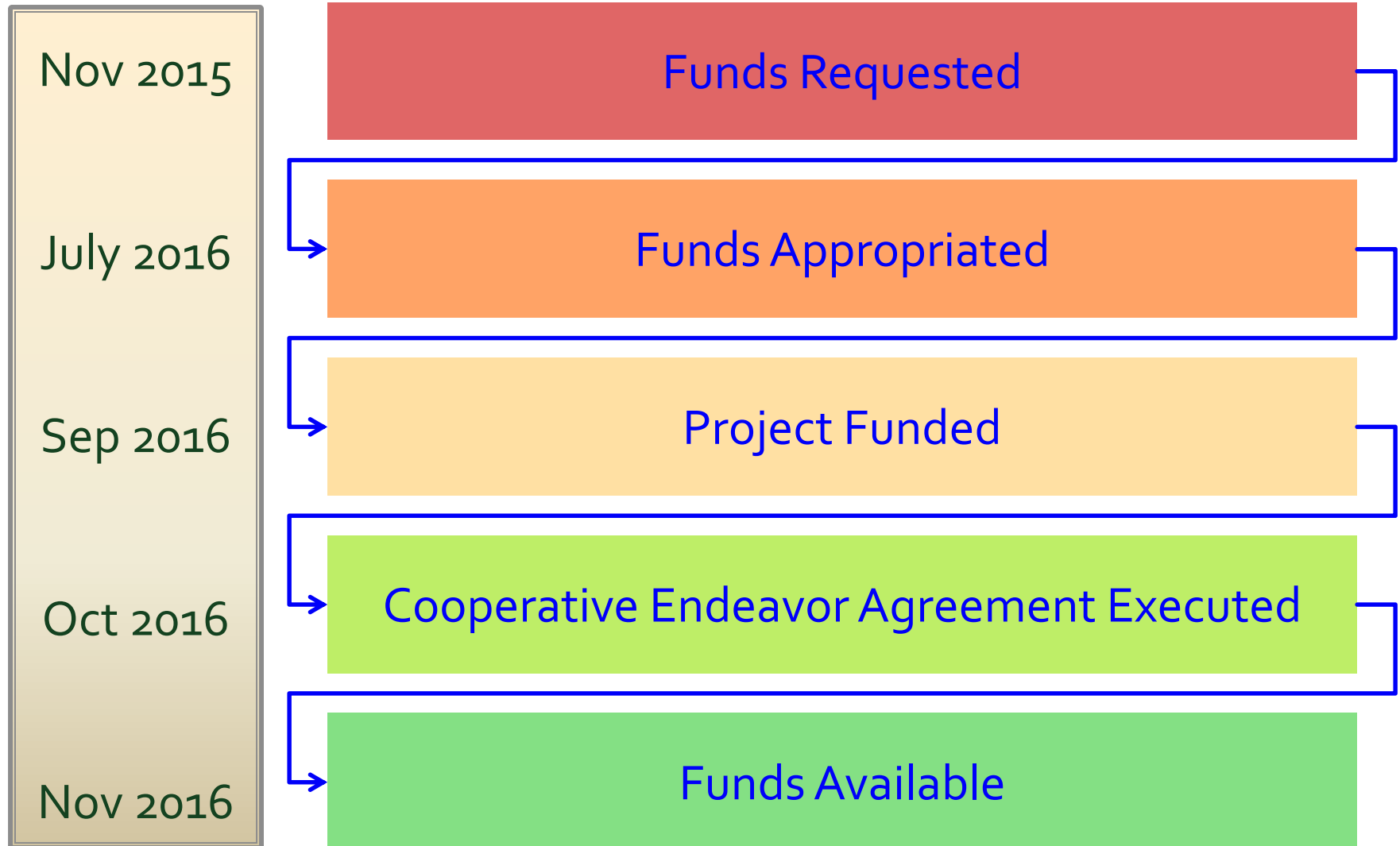
Execute the Cooperate
Endeavor Agreement

Proceed with Project

Receive Disbursement

When do funds become available?

BEST CASE SCENARIO



Capital Outlay Requests

Capital Outlay Requests

Shall include *a detailed project description* and *justification including an analysis of need*

Required Information

| Project ID ##### | | CAPITAL OUTLAY REQUEST | | http://www.state.la.us/ecorts/ | |
|-------------------------------|----------|--|------------------|---|--|
| Project Level Agency | | FISCAL YEAR 2016 - 2017 | | REVISED VERSION | |
| AGENCY NAME | | | | | |
| AGENCY NUMBER - PROJECT TITLE | | | | | |
| Project | | Page 1 | | | |
| Title | | | | | |
| Location | | | | | |
| C | B | Priority | | | |
| | | Local/Agency | | <input type="checkbox"/> of <input type="checkbox"/> | |
| | | Department | | <input type="checkbox"/> of <input type="checkbox"/> | |
| Management Board | | <input type="checkbox"/> of <input type="checkbox"/> | | | |
| Applicant | | | | | |
| Agency | | Schedule | Department | | |
| C | Parish | | Senate District | | |
| | | | House District | | |
| | | | Site Code | | |
| Local/Agency | | | | | |
| User | | Address | | | |
| Contact | | City/State/Zip | | | |
| Phone Number | | | | | |
| Fax | | | | | |
| E-Mail | | | | | |
| Department | | Management Board | | | |
| User | | User | | | |
| Contact | | Contact | | | |
| Phone Number | | Phone Number | | | |
| Cost Estimates | | | | | |
| Local/Agency | | Department | Management Board | FPC | |

Requirements for Non-State Projects

- A Letter of Support
[R.S. 39:101]
- A 25% local match
[R.S. 39:112 E(2)]

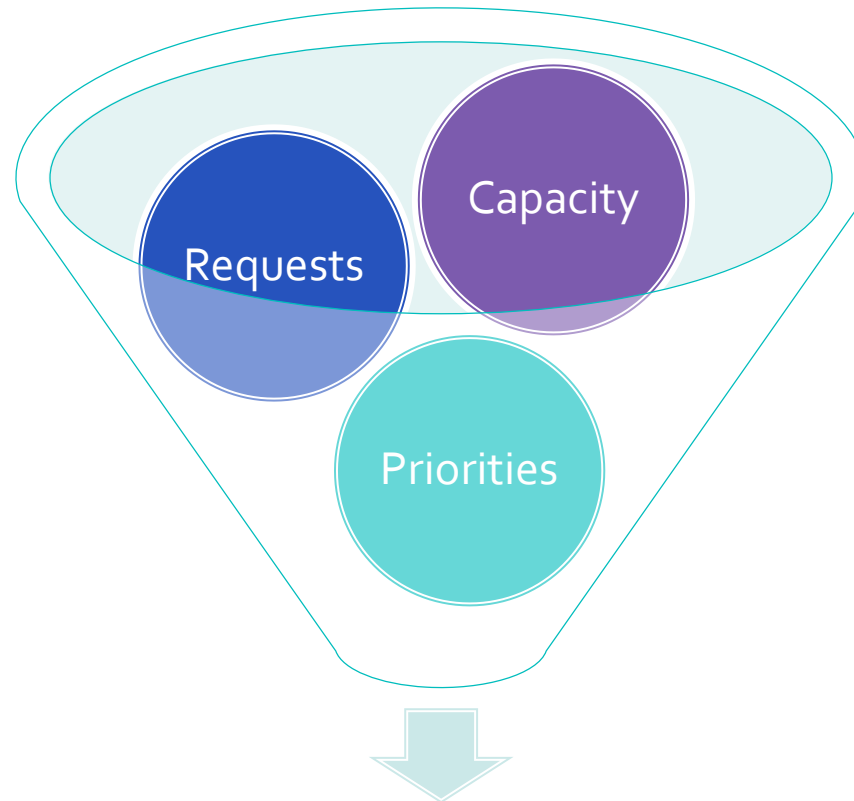
Marais Fire Station Expansion

50/MZZ Fire Station Expansion

Capital Budget Development

Understand the Information is Required in Capital Outlay Requests

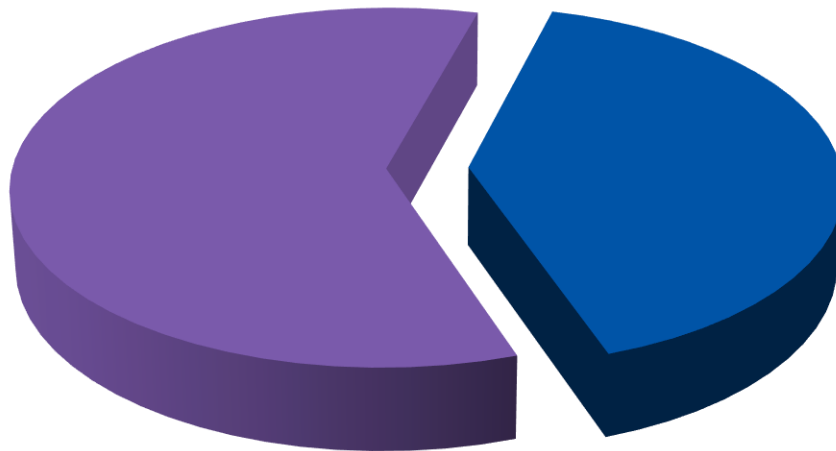
Budget Development



Original House Bill 2

FY 15-16 Capital Outlay Requests for Discretionary Funding Total \$2.3 Billion

Appropriations



■ State Agencies
Requests Received:
\$944M
Total Requests: 486

■ Nonstate Entities
Requests received:
\$1.38B
Total Requests: 1002

G.O Bond Capacity

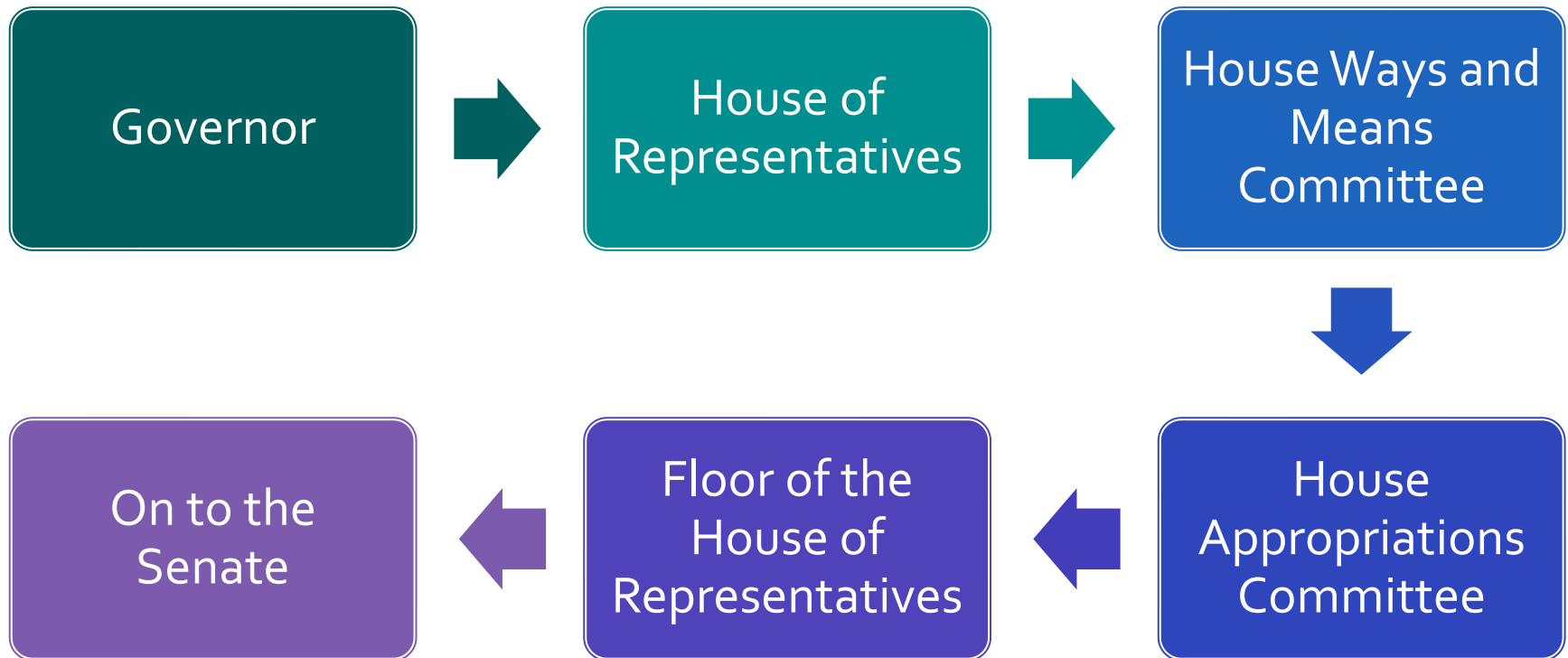
- \$200 million, adjusted for inflation puts the limit at \$370 million for FY 15-16.
- Includes noncash to cash (P₅ to P₁) and new (P₂) lines of credit. Does not include P₁.

R.S. 39:112 F

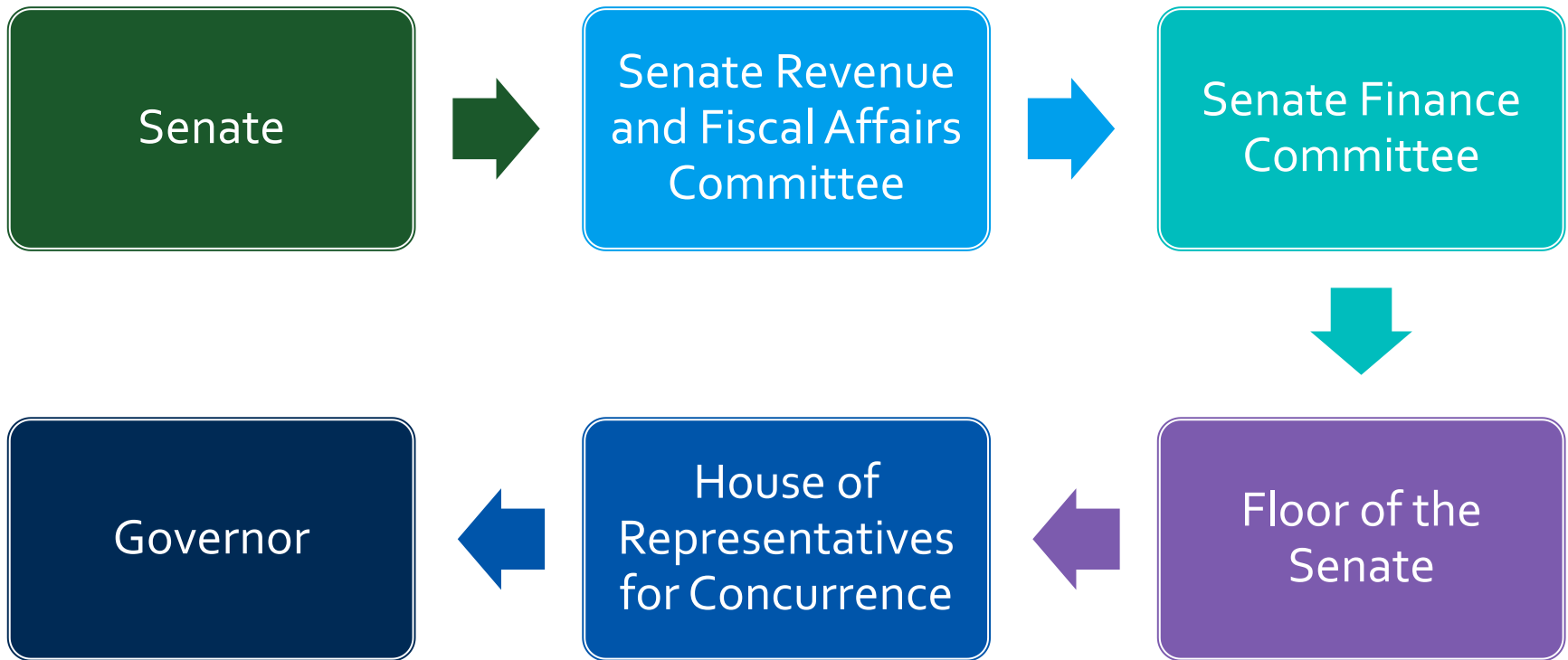
Capital Budget Enactment

Understand How to Read an Appropriation

HB2 During Legislative Session



HB2 During Legislative Session

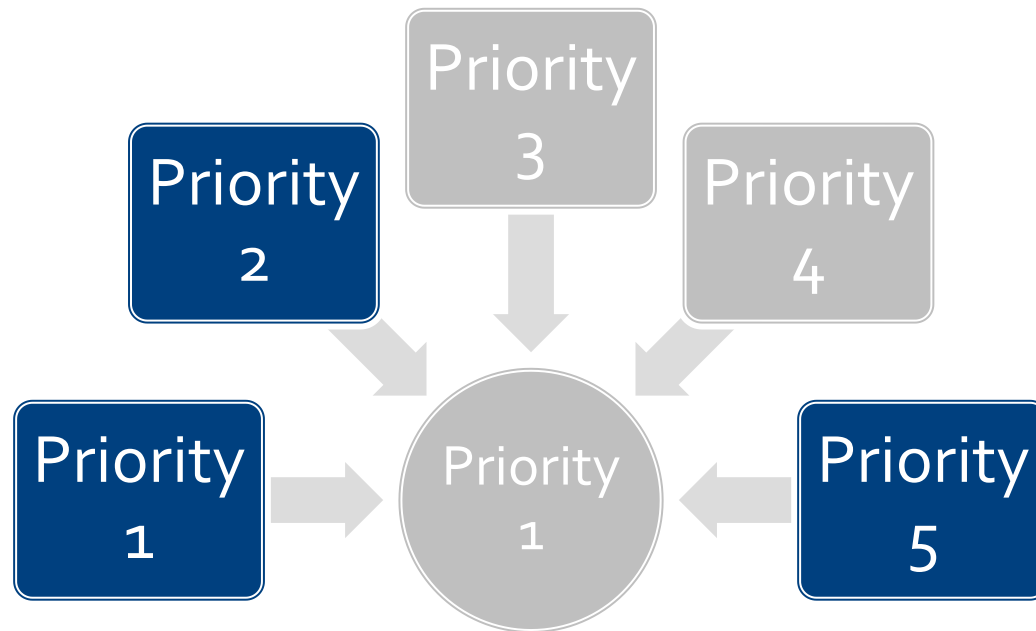


Understanding Appropriations

| | | | |
|----|---------------------------|---|---------------------|
| 7 | A 50/N41 | B BATON ROUGE METRO AIRPORT | |
| 8 | C (924) | D Airport Aviation Business Park, Planning and Construction | |
| 9 | | (East Baton Rouge) | |
| 10 | E | Payable from General Obligation Bonds | |
| 11 | F | Priority 1 | \$ 700,000 |
| 12 | | Priority 2 | \$ 904,616 |
| 13 | | Priority 5 | \$ 500,000 |
| 14 | | Total | <u>\$ 2,104,616</u> |

Priority 1

Always a reauthorization of appropriations
with **PRIOR** lines of credit



Priority 2

New authorization for
CASH

To be spent in **the fiscal**
year of the Act

Priorities 3 and 4

New authorization for
CASH

NOT to be spent in **the**
fiscal year of the Act

Priority 5

New or reauthorized
“Budget Authority”

Can only be granted a
NONCASH line of
credit

Marais' FY16 Appropriation

| | | |
|----|---------------|---------------------------------------|
| 21 | 50/MZZ | MARAIS |
| 22 | (123) | Fire Station Expansion, Acquisition, |
| 23 | | Planning and Construction |
| 24 | | (Evangeline) |
| 25 | | Payable from General Obligation Bonds |
| 26 | | Priority 1 <u>\$ 900,000</u> |



Possible FY15 Appropriation

| | | | |
|----|---------------|---------------------------------------|--------------------------|
| 21 | 50/MZZ | MARAIS | |
| 22 | (987) | Fire Station Expansion, Acquisition, | |
| 23 | | Planning and Construction | |
| 24 | | (Evangeline) | |
| 25 | | Payable from General Obligation Bonds | |
| 26 | | Priority 1 | \$ 75,000 |
| 27 | | Priority 2 | \$ 40,000 |
| 28 | | Priority 5 | <u>\$ 785,000</u> |
| 29 | | Total | <u><u>\$ 900,000</u></u> |

Possible FY15 Appropriation

| | | | |
|----|---------------|---------------------------------------|--------------------------|
| 21 | 50/MZZ | MARAIS | |
| 22 | (345) | Fire Station Expansion, Acquisition, | |
| 23 | | Planning and Construction | |
| 24 | | (Evangeline) | |
| 25 | | Payable from General Obligation Bonds | |
| 26 | | Priority 2 | \$ 75,000 |
| 27 | | Priority 5 | <u>\$ 875,000</u> |
| 29 | | Total | <u><u>\$ 900,000</u></u> |

Possible Prior Year Funding

| | | |
|----|---------------|---------------------------------------|
| 21 | 50/MZZ | MARAIS |
| 22 | (684) | Fire Station Expansion, Acquisition, |
| 23 | | Planning and Construction |
| 24 | | (Evangeline) |
| 25 | | Payable from General Obligation Bonds |
| 26 | | Priority 5 <u>\$ 900,000</u> |

Capital Budget Execution

Understand the Difference between Appropriations and Funding

After the Legislative Session

- Appropriations Memos are distributed
- General Obligation Bond appropriations are considered for funding
- Lines of Credit are granted by the State Bond Commission
- Notification of Line of Credit Status Memos are distributed

Appropriations vs. Funding

*Being "in the Act" is NOT
the same as "receiving
funding."*

Appropriations

Represents **budget
authority**

(i.e. legislative approval for
you to receive funding
IF GRANTED)

Funding

Commitment of funds

"Funding" can be a Cash
Line of Credit or a Noncash
Line of Credit

Changing Appropriations

Understanding the Limitations of Appropriations

Appropriations are made...

...to a specific entity, for a
specific purpose

Scope Interpretation

How is the intent of an appropriation determined?

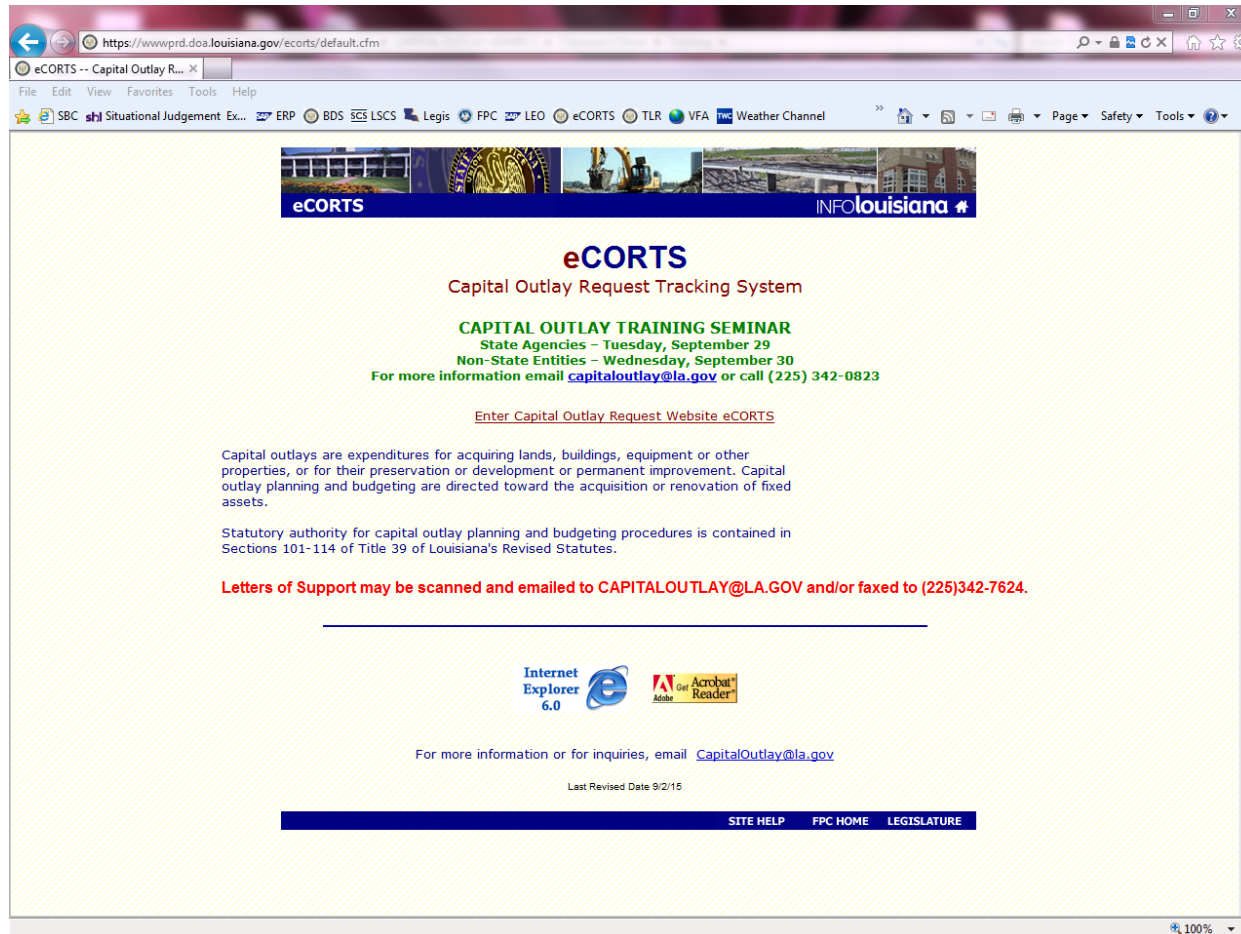
By reading the Capital Outlay Request!

| | | |
|----|--------|---------------------------------------|
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| 26 | | Priority 1 \$ <u>900,000</u> |

Resources

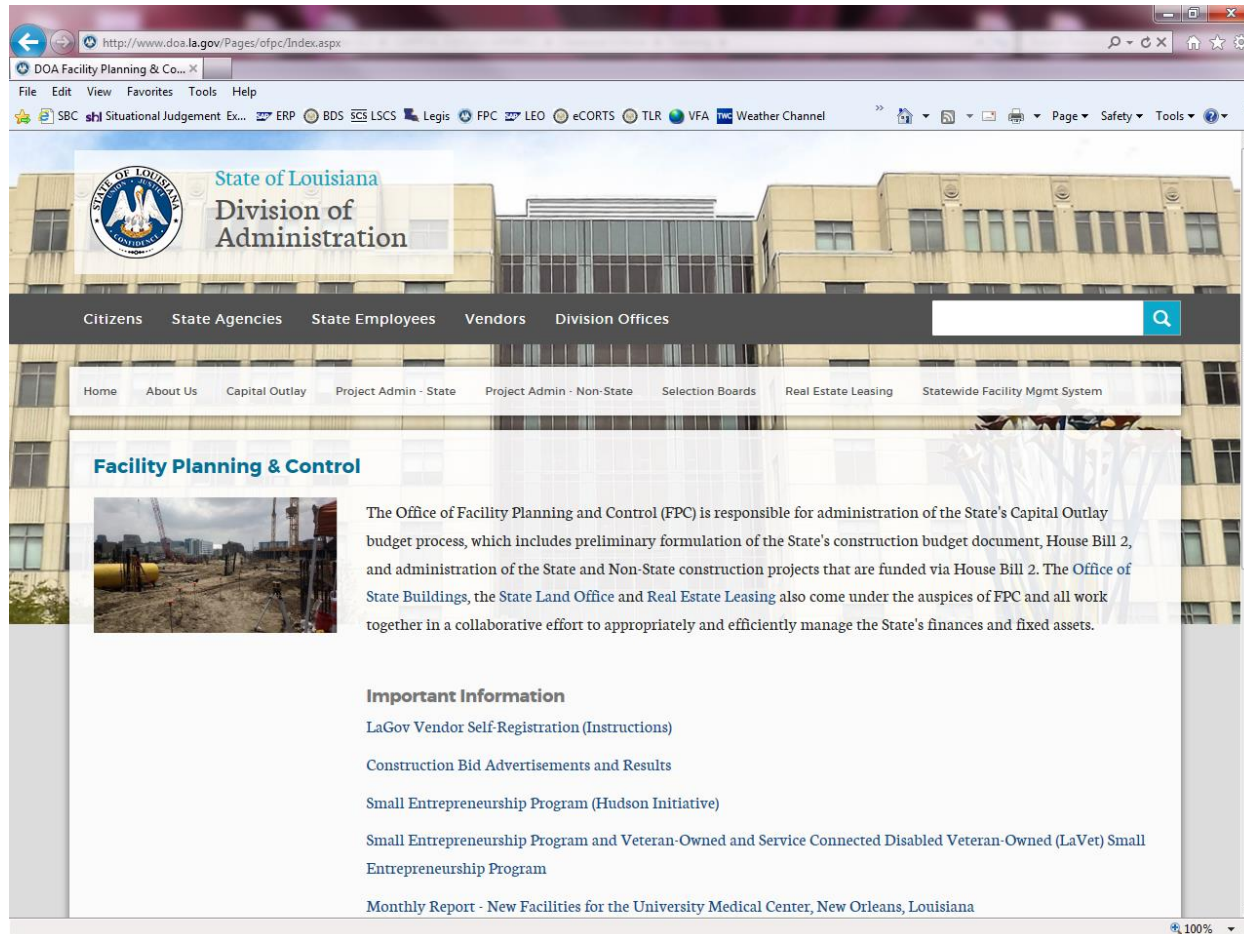
Know Where to Go To Get Help

eCORTS Instructions



<https://wwwprd.doa.louisiana.gov/ecorts/default.cfm>

Nonstate Entity Training Manual



<http://www.doa.la.gov/Pages/ofpc/Index.aspx>

Contact Capital Outlay Staff

- <http://www.doa.louisiana.gov/fpc/fpc.htm>
- Email: CapitalOutlay@la.gov
- Phone: 225.342.0823



Project Management Team

- Edwin Lee, Senior Manager
- Bill Eskew, Project Manager
- Jim Lee, Project Manager
- John Richard, Project Manager
- Lyle Savant, Project Manager

Conclusion

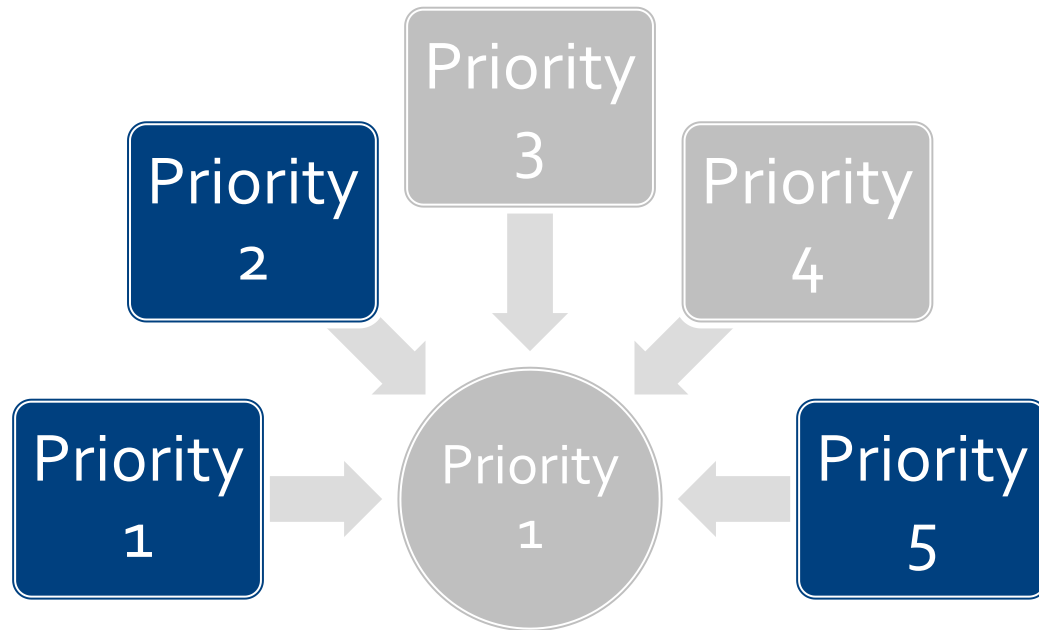
The Capital Outlay Process



Statutorily Required Information

- Detailed Description of the Project
- Justification of the Project including an Analysis of Need

Priorities 1 - 5



Appropriations vs Funding

Appropriations Authority to Receive Funding

2015 Regular Session

HOUSE BILL NO. 2

BY REPRESENTATIVE ROBIDEAUX

ENROLLED

ACT No. 26

1 AN ACT
2 To provide with respect to the capital outlay budget and the capital outlay program for state
3 government, state institutions, and other public entities; to provide for the
4 designation of projects and improvements; to provide for the financing thereof
5 making appropriations from certain sources; and to provide for related matters.
6 Be it enacted by the Legislature of Louisiana:

Funding Commitment of funds



Understanding Appropriations

| | | | |
|----|---------------------------|---|---------------------|
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specific purpose

Resources

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- eCORTS Instructions
- Nonstate Training Manual
- Capital Outlay Staff